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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/982,709	10/18/2001	Andrew C. Gilbert	01-1041	8648
63710                      7590                      04/01/2011 INNOVATION DIVISION CANTOR FITZGERALD, L.P. 110 EAST 59TH STREET (6TH FLOOR) NEW YORK, NY 10022				
EXAMINER				
WINTER, JOHN M				
ART UNIT		PAPER NUMBER		
3685				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

09/982,709

**Applicant(s)**

GILBERT ET AL.

**Examiner**

JOHN M. WINTER

**Art Unit**

3685

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 10 January 2011.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1,2,4,5,10-14,17,18,23,25,30,31,39-42 and 106-120 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,2,4,5,10-14,17,18,23,25,30,31,39-42 and 106-120 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-913)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB-08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### **Acknowledgments**

1. The Applicants application filed on January 10, 2011 is hereby acknowledged.  
Claims 1-2,4, 5, 10-14, 17, 18, 23, 25, 30-31, 39-42 and 106-120 have been examined.

### **Response to Amendments/Arguments**

2. Applicant's arguments with respect to the pending claims have been considered but are moot in view of the new ground(s) of rejection.

### **Claim Rejections - 35 USC § 101**

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-2,4, 5, 10-14, 17, 18, 23, 25118- 120 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.
4. Claim 1 is based on Supreme Court precedent (See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, a §101 process must (1) be tied to a particular machine or apparatus (machine implemented); or (2) particularly transform a particular article to a different state or thing. In addition, the tie to a particular apparatus, for example, cannot be mere extra-solution activity. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

To meet prong (1), the method step should positively recite the other statutory class (the thing or product) to which it is tied. This may be accomplished by having the claim positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed. In this particular case, claim 1 fails prong (1) because the “tie” (e.g. electronic trading system) is representative of extra-solution activity. Additionally, the claim(s) fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

Claims 2,4, 5, 10-13 and 118-120 are dependant upon claim 1 and are rejected for at least the same reason.

5. Claim 14 is rejected based on Supreme Court precedent (See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, a §101 process must (1) be tied to a particular machine or apparatus (machine implemented); or (2) particularly transform a particular article to a different state or thing. In addition, the tie to a particular apparatus, for example, cannot be mere extra-solution activity. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

To meet prong (1), the method step should positively recite the other statutory class (the thing or product) to which it is tied. This may be accomplished by having the claim positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed. In this particular case, claim 1 fails prong (1) because the “tie” (e.g. trader computer) is representative of extra-solution activity. Additionally, the claim(s) fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

6. Claims 17, 18, 23, 25 depend on claim 14 and are rejected for at least the same reasons.

#### **Claim Rejections - 35 USC § 112**

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

(a) The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites “receiving the bid to buy the item” (emphasis added). However, prior to the receiving of the bid, the claim also recites “receiving a bid command” and generating an offer to sell based on “at least one of a price and a size for a bid to buy the item...”.

Therefore, to one of ordinary skill it is not clear which bid is received, the bid command or the bid used to generate the sell offer (In re Zletz, 13 USPQ2d 1320 (Fed. Cir. 1989)). Claim 30 is also rejected as it recites similar language.

Claims 2,4, 5, 10-14, 30-31, and 106-117 are also rejected as each depends from either claim 1 or claim 30.

Claim 4 has been amended to recite "the bid command is received when the trader selects the bid price for the item" (emphasis added). According to claim 1, Applicant's method is initiated by the receiving of a bid command. However, as claim 4 recites "when" it is unclear to one of ordinary skill whether or not the bid command is ever received (In re Zletz, 13 USPQ2d 1320 (Fed. Cir. 1989)). Claims 17, 33, and 47 are also rejected as each recites similar language.

Claims 106-110 and 112-116 are also rejected as each depends from either claim 4 or claim 33.

The term "better" in claims 109 and 115 is a relative term which renders the claim indefinite. The term "better" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

### **Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1-2,4, 5, 10-14, 17, 18, 23, 25, 30-31, 39-42 and 106-120 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nieboer et al., (U.S. Patent No. 6,418,419) in view of Broka et al. (U.S. Patent No. 5,809,483).

10. As per claim 1,14 and 30,

Nieboer et al. discloses a method comprising the steps of:

by a computer for a trader for use in an electronic trading system, presenting to the trader an order entry user interface, the computer being programmed: (Figure 4, 13, 14, column 8, lines 29-52; column 16, lines 37-54)

to receive through the order entry user interface simultaneously as part of a single command from the trader, two orders for buying and/or selling an item, (Column 7, lines 12-47, column 16, lines 25-54)

to receive a price spread between the prices for the two orders; (Column 14, lines 43-57)

the electronic trading system being programmed to generate automatically a price for one or both of the orders based on the trader's received price spread; (Column 14, lines 43-57; column 16, lines 25-54)

11. Nieboer et al. does not specifically disclose "submitting the two orders into the electronic trading system to be matched against counterorders." Broka et al., discloses. "submitting the two orders into the electronic trading system to be matched against counterorders. (figures 24, 25, and 30; column 16, lines 6-10; column 17, lines 4-14 and 45-67; column 19 line 9-column 20 line 6). It would have been obvious to one having ordinary skill in the art at the

time the invention was made to combine the Nieboer et al. method with the Broka method in order in order to optimize profit margin.

12. As per claim 2 and 31,

Nieboer et al. discloses the method of claim 1

further comprising displaying current bid and offer data associated with the item, and wherein receiving the bid command comprises receiving a selection of a piece of the bid and offer data displayed. (Figure 4, 13,14, column 8, lines 29-52; column 16, lines 37-54)

13. As per claim 4, 17 and 33,

Nieboer et al. discloses the method of claim 2,

wherein: the current bid and offer data comprises a bid price for the item, and receiving a selection of a price of the bid and offer data comprises receiving a selection of the bid price for the item. (Figure 8, 9, 13,14, column 8, lines 29-52; column 11, line 65- column 12 line 45).

14. As per claim 5, 18 and 34,

Nieboer et al. discloses the method of claim 2,

wherein: the current bid and offer data is displayed on the order entry user interface on a screen display selected from the group consisting of a market cell, a spread sheet, a data window, an entry window, and a web page. (Figure 4, 13,14, column 3, line 65- column 4



line 13).

15. As per claim 10 and 39,

Nieboer et al. discloses the method of claim 1,

wherein: one of the orders is a bid to buy the item specifying a price; and

the other of the orders is an offer to sell the offer, at a the price generated automatically based at least on the price specified with the bid.(Column 16, lines 25-54)

16. As per claim 11, 25, and 40

Nieboer et al. discloses the method of claim 10,

further comprising the step of: automatically displaying an interface screen in response to receiving of the bid command, the interface screen comprising at least one field for specifying a term of the offer to sell the item, at least one field of the interface screen populated with the at least one of a price and a size generated for the offer automatically.

(Figures 4, 8, 13, 14)

17. As per claim 12-13 and 41-42,

Nieboer et al. discloses the method of claim 10,

Official Notice is taken that “automatically repositioning a pointing device pointer to be positioned over a button in the interface screen corresponding to the bid command” is common and well known in prior art in reference to operating system. It would have been obvious to one having ordinary skill in the art at the time the invention was made to

reposition a mouse cursor over a command in order to select a default option for the user.

The Examiner notes that this feature is common to many operating systems such as Microsoft Windows.

18. As per claim 106

Nieboer et al. discloses the method of claim 4, wherein the order entry interface screen comprises at least one field for specifying at least one term for a bid to buy the item and at least one field for specifying at least one term for an offer to sell the item. (Figures 4, 8, 13, 14)

19. As per claim 107

Nieboer et al. discloses the method of claim 106, comprising populating the at least one field for specifying at least one term for the bid to buy the item with the selected bid price.(Figures 4, 8, 13, 14)

20. As per claim 108, 112 and 114,

Nieboer et al. discloses the method of claim 106, comprising populating the at least one field for specifying the at least one term for the offer to sell the item with the at least one of a price and a size of the item generated for the offer automatically (Figures 4, 8, 13, 14). Examiner notes “comprising populating the at least one field for specifying the at least one term for the offer to sell the item with the at least one of a price and a size of the item generated for the offer automatically” is representative of descriptive material or non-functional data and such

data will not distinguish the claimed invention from the prior art (In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994)).

21. As per claim 109, 113 and 115,

Nieboer et al. discloses the method of claim 106,

comprising populating the at least one field for specifying at least one term for the bid to buy the item with a price a predetermined amount better than the selected bid price (Figures 4, 8, 13, 14). Examiner notes a “for specifying at least one term for the bid to buy the item with a price a predetermined amount better than the selected bid price” is representative of descriptive material or non-functional data and such data will not distinguish the claimed invention from the prior art (In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994)).

22. As per claim 110 and 116,

Nieboer et al. discloses the method of claim 106,

the interface screen comprising at least one price up button and at least one price down button for adjusting terms of at least one of the bid and the offer. (Figures 4, 13)

23. As per claim 111 and 117,

Nieboer et al. discloses the method of claim 1,

the bid to buy the item and the offer to sell the item submitted simultaneously. (Column 7,

lines 12-47, column 16, lines 25-54)

24. As per claim 118,

Nieboer et al. discloses the method of claim 1,

the order entry user interface is programmed to receive the two orders as counterpositions to each other. (Column 7, lines 12-47, column 16, lines 25-54)

25. As per claim 119,

Nieboer et al. discloses the method of claim 1,

the electronic trading system is further programmed to enter a first one of the orders into active market matching against counterorders substantially immediately, and

the electronic trading system is further programmed to hold a second of the two orders from market matching until the first order is executed, and when the first order is executed, then enters the second order into active market matching. (Column 7, lines 12-47, column 16, lines 25-54)

Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C: "Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.] " As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.

26. As per claim 109 and 115,

Nieboer et al. discloses the method of claim 1,

Nieboer et al. does not specifically disclose " wherein: the electronic trading system is further programmed to enter both of the two orders into active market matching against counterorders substantially immediately when received from the trader" Togher et al. teaches " wherein: the electronic trading system is further programmed to enter both of the two orders into active market matching against counterorders substantially immediately when received from the trader" (figures 3 and 5; column 7, lines 20-23 and 35-40; column 11, lines 6-51). Therefore, it would have been obvious to one of ordinary skill to combine the teachings of Nieboer et al. and Togher et al. in order to accommodate traders using the Nieboer et al. system who desire to take a more active trading role, such as that of a market maker.

### **Conclusion**

27. Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOHN M. WINTER whose telephone number is (571)272-6713. The examiner can normally be reached on M-F 8:30-6, 1st Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin Hewitt can be reached on (571) 272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3685

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

JMW

/Calvin L Hewitt II/  
Supervisory Patent Examiner, Art Unit 3685